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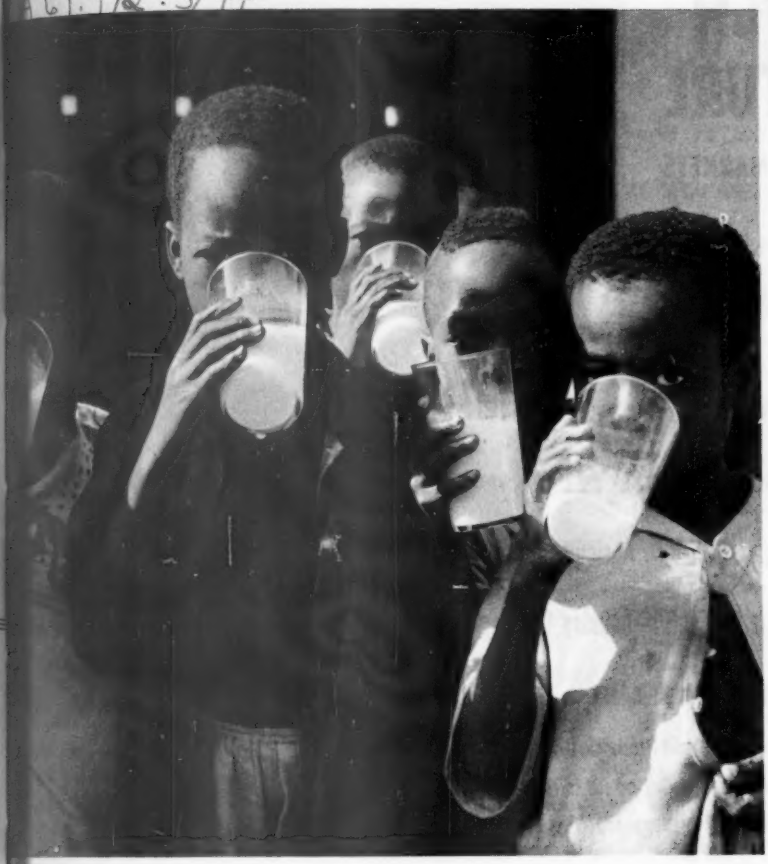

NOVEMBER 1, 1965

FOOD FOR THE HUNGRY

INDIA'S PRICE SUPPORTS

U.S. COTTON EXPORT AND PROMOTION

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

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NOVEMBER 1 1965

VOLUME III • NUMBER 44

Schoolboys in Adjame, Ivory Coast, get milk in a UNICEF school-lunch program. Story on opposite page reports on food-utilization conference recently held in Washington.

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Indian women learn about better nutrition.

FOOD for the HUNGRY

—a report on how U.S. research is working to boost food supplies and reduce diet deficiencies through low-cost protein foods

American economists, scientists, agriculturists, and nutritionists making up the Agricultural Research Institute met in Washington last month to tackle one of mankind's most immediate problems—adequate nourishment for the hungry people of the world.

A nongovernment organization under the National Research Council, the Institute has dedicated itself to promoting the kinds of research and policies needed to insure the best long-term utilization of the world's agricultural resources. The annual conference this year was given over to new methods of supplying low-cost, high-protein foods to undernourished nations. These areas include all of Asia except Japan and Israel, all of Africa but the southern tip, all of Central America and the Caribbean, and the northern part of South America—two-thirds of the world's population.

Dr. Quentin West, of the Foreign Regional Analysis Division of USDA's Economic Research Service, cited the importance of the group's meeting in these words: "The communication between social and natural scientists is important because of the effect of deficient diets on health, longevity, and man's abilities to work and progress."

Scientists and economists have contributed months of research toward the goal of eliminating deficient world diets. Their work has ranged from new methods of crop cultivation and pest control to new sources of protein foods. Reports of their findings were presented at the conference, and are summarized here.

Protein Deficiencies and Human Health

By DR. D. MARK HEGSTED, *Department of Nutrition, Harvard School of Public Health, Boston*

Over 100 million preschool children of the world today are having their chances of survival drastically reduced by chronic malnutrition, said Dr. Hegsted. He indicated that while there is no easy solution to this problem, it can be greatly reduced.

One of the biggest dietary needs among malnourished preschoolers is for more protein, essential at this age in exceptionally large quantities to support the children's rapid rate of growth. Paradoxically, these very children are often given less protein per unit of body weight than persons of other ages living under the same conditions.

Dr. Hegsted pointed out that the major problem is therefore poor distribution of the available food supply rather than gross inadequacy of production.

He continued "It is not certain that a more varied agriculture with increased production of the more expensive animal products will be effective in alleviating the conditions. A more direct approach through the production of inexpensive foods suitable for young children seems much more promising. A great many protein-rich materials not used now in human nutrition are available."

Food from the Ocean

By DR. W. M. CHAPMAN, *Director, Division of Resources, Ralston Purina Co., St. Louis*

"The waters of the ocean represent a vastly abundant yet largely untapped source of food for the burgeoning populations of the world," declared Dr. Chapman.

"The world ocean is producing more humanly usable animal protein per year than the requirements of a population 10 times the size of the present one," he said. "Most of this animal production by the ocean dies unused by man and recycles back into the vast web of life in the ocean... The present world fisheries produce about 50 million tons of aquatic life per year, which represents about 10 million tons of animal protein, or about one-third of human global requirements."

Despite this, the production of animal protein from the ocean is increasing at a more rapid rate than is the human population of the world, Dr. Chapman said, but most of the gain has been in industrialized countries where it is not badly needed.

Seed Proteins for Human Food

By AARON M. ALTSCHUL, *Seed Protein Pioneering Research Laboratory, New Orleans*

Use of seed products to supplement animal products as an important source of proteins is seen by Mr. Altschul as one way of overcoming the current shortage of protein in developing countries of the world.

Currently, the three major sources of seed protein—soybeans, cottonseed, and peanuts—alone could supply over 20 million tons of protein concentrate yearly, or as much as comes from all the animal products.

Although only soybeans currently contain enough pro-

tein to be considered a protein concentrate, there are ways to upgrade the proteins of other seeds "by supplementing with amino acids, by blending with other proteins, by using higher concentrations, or by improving the protein quality of the other partner, the cereal."

A big problem yet to be conquered is getting these products accepted as a human food. This has long ago been done in Japan, where roughly 10 percent of the protein supply comes from soybeans, but a large part of the world is still unfamiliar with these products.

Mr. Altschul, confident that these would be accepted, said, "I would think that a new family of artifacts—protein concentrates from plants—will arise. The first members are the ancient Oriental soybean curds, but the newer members will be based on modern technology of protein concentrates and protein isolates from plant sources—first, most probably from seeds."

World Food Needs, With Reference to Protein

By DR. QUENTIN M. WEST, *Acting Director, Foreign Regional Analysis Division, Economic Research Service*

"The existence of surplus agricultural production and unused capacity in many of the world's wealthier countries simultaneously with shortages of food in other countries is one aspect of the problem of disparities in wealth which weigh increasingly on the world's conscience," began Dr. West.

He went on to explain how information about food consumption estimates is obtained—from food balances and from consumption surveys—and cited estimates developed for the World Food Budget by the U.S. Department of Agriculture. These estimates are based on balances for 92 countries with 94 percent of the world's population.

Diets of the deficit areas in 1959-61, he said, averaged 900 calories a day below those in the one-third of the world where food consumption is adequate and 300 below the nutritional standards set for the deficit areas. He said that although there will still be a deficit in diets by 1970, the calorie intake in these countries will probably have risen 8 percent above the 1959-61 level; protein, 10 percent; and fats, 16 percent.

He reasserted the need for development of new, inexpensive sources of protein and for increased use of the high-protein food from the ocean.

The Challenge of Pest Control

By DR. WILLIAM C. PADDOCK, *former head of Latin American Affairs Section, office of Foreign Secretary of the National Academy of Sciences*

"As disease and insect control was early found to be one of the cheapest and easiest means for increasing agricultural production in this country, so will it probably prove to be in the developing countries—if the effort is made to find the control methods," said Dr. Paddock. "Per capita agricultural production in Latin America has been falling steadily since World War II and, although it is not often realized, in isolated cases per-acre yields of some crops have also decreased."

In tropical countries subject to monsoon, Dr. Paddock said, pest control is often more difficult than in the United States. "Farmers sow their crops at the end of the dry season. When the rains come, crops and weeds both sprout, and the latter, aside from competing with crops for light, water, and nutrients, also harbor pests and offer a wide choice of alternative hosts."

Dr. Paddock stated that despite this difficulty "we should take advantage of the relative adaptability and simplicity of pest control and gear our effort to the present social and economic conditions of the tropics."

Weed Control for Efficient Production

By DR. WILLIAM R. FURTICK, *Professor of Agronomy, Oregon State University, Corvallis*

The need for weed control in connection with other programs to increase agricultural production of developing countries was stressed by Dr. Furtick in his speech before the conference.

"The thing that must be borne in mind in considering annual weed control is the fact that these high-weed population densities make it impossible to use improved fertility and varieties and get a yield increase unless the weeds are first controlled."

Dr. Furtick admitted that developing countries are handicapped in this effort by lack of large power equipment and chemical fertilizers and pesticides, but he pointed out that many nations have found weed control well worth the additional expense and effort. In Colombia, for instance, producers have become virtually dependent on using relatively expensive chemical weed-control measures to selectively remove barnyardgrass from rice paddies. "The yield response has been so great that growers find it uneconomical to produce rice without chemical weed control..."

At the close of his speech, he emphasized the need to capitalize on the opportunities available to use educational facilities to create adequate technical competence in developing countries. "Although the job is large and the costs may be high, the alternative of world famine makes these seem insignificant in comparison."

Fertility and Management of Tropical Soil

By DR. CHARLES E. KELLOGG, *Deputy Administrator for Soil Survey, Soil Conservation Service*

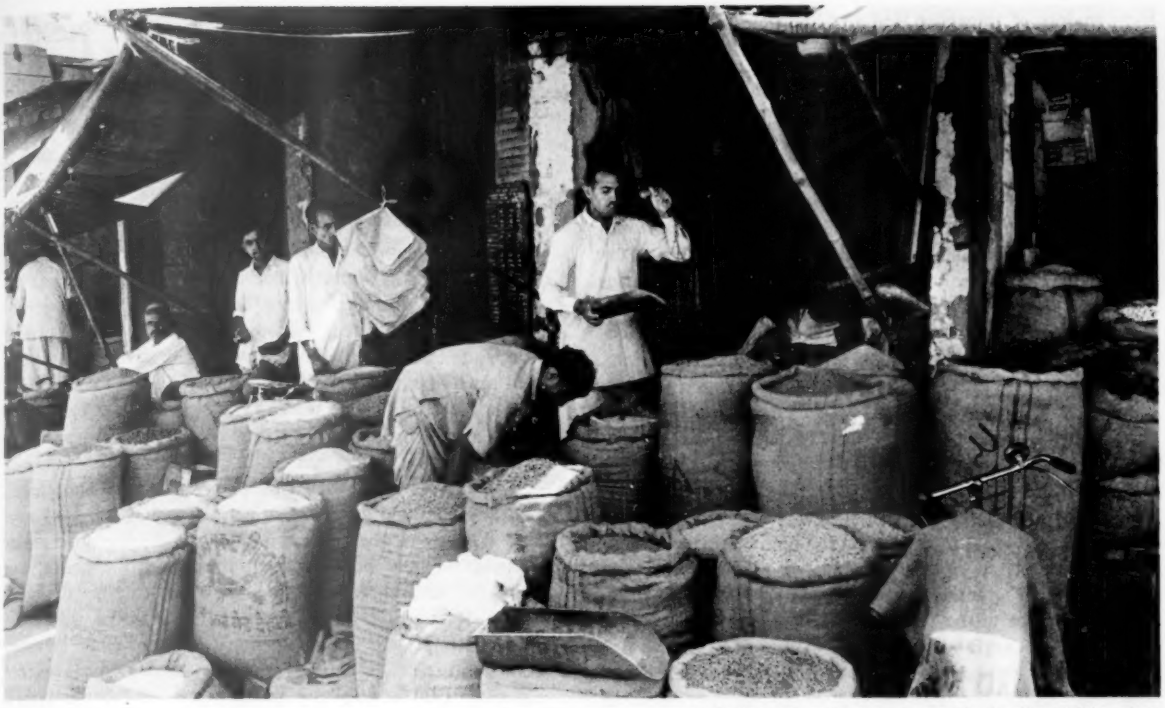
"Greatly improved management of tropical soils is a basic necessity for economic growth and dependable food supplies in many underdeveloped areas," Dr. Kellogg stated. "Both goals can be reached."

But after explaining the characteristics of tropical soils and their responses to management practices, he admitted that "only a few tropical soils can be expected to produce even moderately well without substantial additions of fertilizers." He further emphasized the need for scientific application of these fertilizers and their use in connection with other modern production practices.

"One realizes," Dr. Kellogg conceded, "that it is not always possible to go quickly from a primitive system in soil management to a fully developed one. One needs to 'make do' with what is available. Still, to have an adequate incentive for the cultivator in the tropics we must search for some dramatic improvements that obviously increase his income. Rather than doing a little bit with all enterprises, it is commonly best to concentrate on one, such as hybrid corn, or high-yielding rice, and do that well."

"No part of realizing the great abundance within tropical

(Continued on page 16)



Both grains and pulses are sold in this New Delhi market.

Price Supports Set as Incentive to India's Farmers

By STANLEY W. PHILLIPS
Assistant U.S. Agricultural Attaché, New Delhi

When C. Subramanian became the new Food and Agriculture Minister in June 1964, India was in the midst of a rapid food-price spiral and fast-dwindling supplies of food grains. While he vigorously pressed for short-term stopgap measures, he and others in the government recognized that increased food production was necessary. Among various steps considered to boost output was an incentive price program for farmers.

Because time would not permit development of a sophisticated program such as might be found in the United States and elsewhere, a simple scheme of government purchases at designated floor prices was regarded as necessary for a start. A committee was chosen to make recommendations, which after review by Food Ministry and State officials, became the basis for the official publication on October 13, 1964 of producer support prices for cereal grains and chickpeas for the year that began last November 1.

Price commission appointed

At the same time, wholesale and retail prices for paddy (rough rice), and rice were also announced. The National and State governments were to purchase any quantity of the designated grains offered. Rice prices were somewhat above post-harvest levels of the three previous seasons. For wheat, the prices to be offered were also above previous post-harvest levels and about 32 percent over prices paid by the government when it had bought wheat for distribution in deficit areas in earlier years.

In January 1965, an Agricultural Prices Commission was appointed, headed by M. L. Dantwala, a prominent economist, to advise the Food Ministry in establishing a balanced and integrated price policy for food grain and cash crops. Then, early in June, acting on the recommendations of the Commission, the Food Ministry announced producer support prices for the year beginning November 1965 for paddy, sorghums, and corn. State governments were authorized to establish producer prices for local varieties of paddy rice. The schedule of prices adopted was similar to that announced earlier for the current food year ending October 31, 1965.

Although the procurement prices established by the government for this year and next are somewhat higher than those received by farmers in earlier years they are believed to be below prices actually received during most of 1964-65. There is little reason to believe that the schedule of "support" prices adopted for the year ahead will be above market prices. Demand will continue strong, and crop prospects are less favorable than a year ago.

Support prices higher than in U.S.

The announced procurement prices are higher than U.S. price support levels. For example, the range of wheat prices is equivalent to $2.60 to $3.06 per bushel, for corn $1.92 to $1.94, and for rice $4.36 to $5.72 per cwt.

This does not mean that consumer prices in absolute terms are necessarily higher than in the United States. Except for rice, which is dehulled and sometimes parboiled, food grains reach consumers unprocessed so that "marketing margins" as known in the United States consist in

India mainly of transportation and handling charges. However, food prices with reference to consumer income are such that 70-80 percent of the latter goes for food.

High prices or low—a dilemma

In considering a proper level for agricultural prices the Government of India faces a dilemma. Since a major part of personal income is spent on food, the setting of floor prices that would serve as an incentive to cultivators would tend to influence materially nonagricultural wages. Perhaps remembering that Britain and other Western countries developed industrially by providing cheap food for their factory labor, India has been loath to allow food prices to rise and increase overall costs of economic development, including adverse effects on prices of the country's exports.

Also, in a nation having a strongly socialistic political philosophy, rising food prices are difficult for the government to defend. Until the food situation came to near-crisis proportions in 1964 there was an understandable reluctance to depart from a cheap food policy. The policy which still prevails of fixing prices of imported wheat considerably below prices of domestic grain—the spread probably being greater than necessary to overcome consumer resistance to the former—has been aimed at holding down prices of all food grains.

Even now when incentive prices for farmers are accepted politically, the official policy is that of "evolving a balanced and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer and the consumer."

To carry out this policy the government from time to time has sought to match steps taken toward farm price support with measures to control wholesale and retail prices of food. These efforts have met with little success. In October 1964, wholesale and retail prices of rice were set to allow margins of 1.5 to 2.0 percent for wholesalers and 4 to 7 percent for retailers. Strong consumer demand forced prices above the ceilings, and enforcement proved so difficult that in June of this year when producer prices were announced for 1965-66, lack of agreement forced indefinite postponement of wholesale and retail ceiling prices. Ceilings on wheat and coarse grains were planned for but never carried out in 1964-65. Thus, India continues to struggle with efforts to provide price incentives for its farmers and yet hold down food prices.

Obstacles to support programs

Administrative problems of establishing a price-support program for Indian farmers are enormous. There are 60-65 million farms in India compared to 3 million in the United States. For practical reasons it is not considered feasible to deal with individual farmers. In lieu of transactions with the farmers themselves, such as direct payments and nonrecourse loans which are made in the United States, it is considered necessary to follow a pattern of procurement purchases from about 1,100 regulated local markets and hundreds of rice mills. Nevertheless, it would also be necessary to develop large-scale informational programs to acquaint farmers most of whom are illiterate, with the broad purposes of price support and to announce support prices and procedures. Despite the magnitude of such a task, a successful precedent was set when the anti-malaria campaign message was carried to India's 550,000 villages.

To store acquired food grain, local, private storage facilities have to be relied upon to supplement the approximately 3 million tons of National and State government storage that functionally corresponds roughly to country and terminal warehouses in the United States. Private storage owned by merchants is designed for short-term holding, and much of it is old so that little protection is afforded against rodents, birds, and insects.

Zones impede trade

Other problems besetting the administration of a price-support program in India include the zone system and the State control over agriculture. Each of the 16 States constitutes a rice zone across the boundaries of which no private rice trade can take place. Likewise, the country is divided into nine wheat zones. The resulting mixture of free trade within States and State trading on an inter-State basis tends to interfere with the orderly flow of food grains and results in severe price distortions.

The Indian Constitution puts agriculture in State hands with the National government acting in a coordinating role. The urgency of the food situation has led the government to propose new policies, including incentive prices, but much of the implementation must be left to the individual States, and in all cases their favorable agreement must be obtained. This necessarily has resulted in many compromises. The interests of the surplus States seldom coincide with those of the deficit States, so that the central government must use utmost persuasion to attain national objectives.

USDA assistance

Several U.S. Department of Agriculture experts in price-support operations have gone to India on the invitation of the government. They have made a number of recommendations on organization and procedures to achieve a workable price-support program. In addition, the experts proposed that schedules be developed to provide announcement of support procurement prices for wheat by October 15 (planting begins shortly thereafter) and for rice by January 15. Such price schedules would provide for differentials by location, classes, and grades. Provision would be required for prompt financial settlement for all procurement transactions.

These recommendations are based on 30 years of American experience and it may take time before they can be carried out in India. However, the Food Corporation of India has been established to operate somewhat along the lines of the Commodity Credit Corporation. Its management is headed up by very well-qualified personnel, and if cooperation with the government and the States can be achieved, it may be able to make steady but perhaps necessarily slow progress.

Italian Corn Prices To Rise in 1966

Italy's Minister of Agriculture has announced that the target price for corn will be raised by about 9 percent in 1966. This is half of the 18-percent increase required under the EEC grain price unification program by July 1, 1967.

The price increase was welcomed by farmers in Italy's main corn-growing areas. However, livestock farmers in other areas of the country, who rely on low-cost imported corn, may be concerned about this increase. Italy now imports more corn than the country produces—about 4 million tons a year.

Japan Still U.S. Agriculture's Top Foreign Market

Japan, largest U.S. trading partner after Canada, in 1964, held its place as top buyer of U.S. agricultural products, contributing to farm incomes in every State of the Union. U.S. industry, as well as U.S. agriculture, benefited from record sales of a wide variety of products to the Japanese people.

According to a study prepared by the United States-Japan Trade Council, "Partners for Progress—1964," overall U.S. exports to Japan reached $1.89 billion, 9 percent above the previous peak set in 1961. Sales of agricultural products, which in 1964 were double those of 5 years earlier, brought in $726 million, or 38 percent of the total. Judging from January-June 1965 figures, Japan's imports of U.S. agricultural products should show further gains when the tally for the entire year is totaled.

Japan's import focus changing

Living in the world's fastest growing economy, the Japanese consumer—whose purchasing power has risen with his country's expansion—increasingly focuses his demands on goods and services no longer considered luxuries. Correspondingly, U.S. exports to Japan, once made up chiefly of raw materials, have diversified to include sophisticated industrial machinery, a wide range of consumer goods, and larger quantities of foods and food products.

Calendar 1964 saw new records set by Japan's purchases of a number of U.S. agricultural commodities. Among the big gainers were wheat, which brought in $108 million compared with $88 million in 1963, and corn, sales of which went from $65 million in 1963 to $89 million a year later.

Also scoring peak sales were barley, up $10 million over 1963; inedible tallow, up $7 million; and leaf tobacco, up $5 million. Soybeans, with an increase of $16 million, became the first commodity to replace cotton as the leading U.S. agricultural export to Japan.

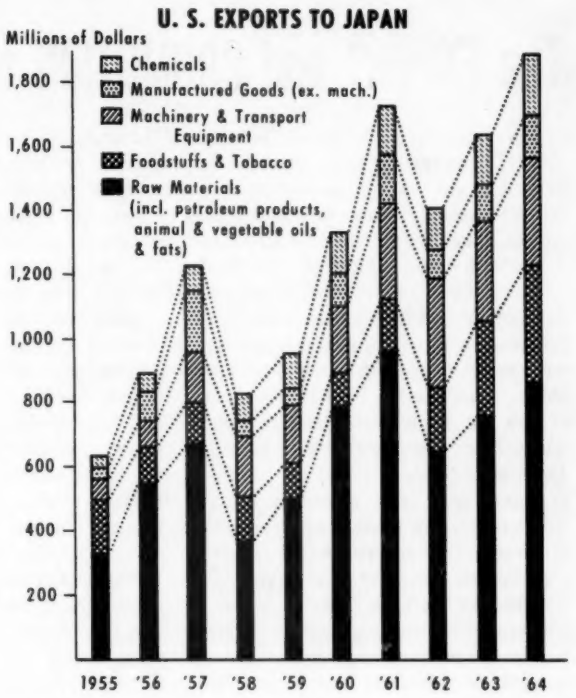
While Japan's imports of U.S. cotton were valued at $132 million, this was 6 percent below the 1963 level and reflected a recession in the Japanese cotton industry. Sales of hides and skins also registered a slight drop, from $30 million to $28 million.

U.S. imports from Japan reached a record $1.76 billion last year, an increase of 18 percent over 1963. Imports of foods and food products, valued at $96 million, fell short of the $97 million peak in 1962. Gains in frozen tuna were partly offset by declines in canned fishery products. Biggest gain over 1963 was a 24-percent increase in fruits, mainly canned mandarin oranges.

Export outlook for 1965 favorable

Several U.S. commodities benefited from an easing of trade barriers during 1964. Sales of California rice, which were resumed after nearly a decade, added $12 million to the U.S. account. Likewise, the Japanese Government's removal of its restriction on lemons from the United States led to significantly larger sales for U.S. citrus producers.

Figures for the first half of 1965 indicate a favorable outlook for U.S. agricultural exports to Japan this year, especially considering the fact that the largest shipments of farm products do not take place until the second half of the year. By the end of June the dollar value of food and live animal sales was already 66 percent of 1964.



Individual commodities showing substantial first-half sales were grain sorghums and corn, both 72 percent of 1964 dollar value; cotton, 56 percent; wheat, 52 percent; soybeans, 49 percent; and frozen poultry, 41 percent. Because of drought as well as eased trade barriers, Japan's imports of U.S. rice from January to June of this year were valued at $30 million compared with $12.5 million for all of last year.

Japan's Textile Industry Limiting Output

Japan's textile manufacturers—including those handling cotton, spun rayon, and synthetic fibers—have decided to form an antirecession cartel for a 6-month trial period beginning in October. During this period, 10 percent of each participating firm's operable spindles will be sealed.

How much this voluntary 10-percent cutback will affect the spinning of cotton in Japan is difficult to say. Japan's textile industry now has 11,427,000 operable spindles, on all of which cotton and manmade fibers may legally be spun interchangeably. As a practical matter, however, this figure overstates the number of spindles actually being used for spinning cotton. Some are in mills traditionally thought of as manmade-fiber mills, which do not have the preparatory machinery necessary for the effective handling of cotton. Others are at present being used to spin manmade fibers.

The cartel arrangement is designed to enable the industry to regulate production on a self-policing basis and thus to encourage greater firmness in prices. Prices for all kinds of yarn have fallen 10 to 15 percent since last spring and there are some reports from people in the industry that many prices are below the cost of production.

The EXPORT and PROMOTION of U.S. COTTON

U.S. cotton exports during 1965-66 are currently forecast at 4.2 million bales, although recent upward revisions in estimates of foreign crops now being harvested indicate the possibility of increasing competition for export markets. At this level, U.S. exports would represent about 24 percent of estimated world cotton trade, compared with 25 percent in 1964-65, when U.S. exports totaled 4.1 million bales. The average U.S. share for the past 10 years was 32 percent.

A continued high level of consumption abroad in 1965-66, along with the fact that many net importing countries will not be able to further reduce raw cotton stocks as they did last year, is expected to result in an overall slight increase in world trade in 1965-66. The United States is not likely to benefit much from this increased trade, however, mainly because another record crop in foreign Free World exporting countries will provide larger exportable supplies in those countries, and importing countries will probably limit purchases to a replacement basis in 1965-66, thus again ending the season with stocks at minimum levels.

A slightly smaller crop in the USSR this year indicates a prospective increase in net imports by Communist countries from the Free World in 1965-66.

Consumption of cotton outside the United States, continuing its upward trend, is estimated at 41.5 million bales in 1965-66. This level exceeds 1964-65 offtake by 1 million bales and is more than 2 million bales above the average of 38.3 million for the last 5 seasons.

Free world cotton use up

In the foreign Free World, cotton consumption is estimated at 25.3 million bales for 1965-66, an increase of 0.5 million bales from last season. More than half of the expected increase, however, is in net exporting countries where about all countries are likely to use more cotton this season.

Consumption by net importing countries in 1965-66 is estimated at 18.9 million bales—up 0.2 million from last season. Nearly all of this prospective gain is in India. In most other net importing countries, consumption of cotton is expected to about equal last season's level or to be lower. Aggregate consumption in Western Europe, which declined about 4 percent in 1964-65, is almost certain to be down again this year.

Most of the 1964-65 decline in Western Europe was in Italy, France, and Belgium, where particularly severe textile recessions reduced the use of cotton by 10 percent or more. Current reports indicate that the low point of the cycle may have been reached in those countries and that textile production may improve in the current season. While most other countries in Western Europe maintained cotton consumption last season, some are likely to experience downturns this year. Important among these are West Germany, Switzerland, and the United Kingdom.

Canada and Japan

Cotton consumption in Canada is expected to remain at a high level in 1965-66. In Japan, overproduction and mounting textile stocks indicate that mill consumption of cotton may not reach the 3.4 million-bale level of last season.

Cotton consumption in Communist countries is estimated at 16.2 million bales in 1965-66, compared with 15.7 million last season. The increase is expected to occur mainly in the USSR and Mainland China.

Despite rising consumption in foreign cotton-producing countries, another record harvest in 1965-66 is expected to result in the largest exportable supply ever recorded in those countries.

Foreign Free World producers almost certainly will export all of their production this season except for that consumed locally and required for minimum stock maintenance. Moreover, it is estimated that those countries ended last season with nearly half a million bales of excess stocks. Therefore, exportable supplies in 1965-66 are forecast at 11.7 million bales, or nearly 1 million bales more than was exported by foreign Free World countries in 1964-65. Nearly all foreign Free World producing countries, except possibly Nicaragua and Brazil, are likely to export more cotton this season than in 1964-65.

Soviet exports down

In the USSR, the only major exporting country of the Communist world, exports are estimated at about 1.5 million bales, compared with 1.8 million in 1964-65. Countries of Eastern Europe are the principal recipients of cotton from the USSR.

Most importing countries of the foreign Free World kept their purchases of raw cotton below mill consumption last season. Therefore, stocks held by those countries on August 1 of this year were about 600,000 bales below those held a year earlier. Stocks in many importing countries are now near minimum levels. Imports during the 1965-66 season are expected to be on a replacement basis in many countries, and in some a further working down of stocks is probable.

U.S. exports to Communist countries account for only a minor volume of total U.S. shipments of cotton. However, purchases of cotton by Communist countries in other Free World markets have a direct effect on the export potential for U.S. cotton.

In recent years, Free World net exports to Communist countries have risen sharply, reaching an estimated 2.3 million bales in 1963-64. Last season this figure declined to about 2 million, mainly as a result of increased exports by the USSR to Eastern Europe.

Indications are that in 1965-66 cotton production in the USSR will fall below the levels reached in the last two seasons. Not only is acreage believed to be lower, but in many producing areas water supplies for irrigation reportedly were inadequate.

East European imports

A reduced crop may result not only in larger imports from the Free World, but also could mean that Eastern Europe would need to purchase larger supplies from the West. Net imports by all Communist countries in 1965-66 are currently expected to equal, or

slightly exceed, the 2.3 million bales reached in 1963-64.

Overseas market promotion

Market development activities are being conducted in 16 of the important cotton consuming countries with a view to expanding consumer demand for cotton textiles. Initiated in 1956, the programs are conducted in cooperation with Cotton Council International and foreign textile industry groups. The countries involved account for four-fifths of the Free World's imports of raw cotton and for more than three-fourths of the raw cotton exports from the United States.

Basically, the programs have a three-phase approach: market analysis, research, and surveys; public information and education; and market and sales promotion. They include a wide variety of activities designed to contribute to the sale of cotton products, such as cotton weeks, fabric design competition, fashion events, film showings, industry bulletins, sales training for retail clerks, back-to-school campaigns, and many others.

Features especially useful in their individual countries, such as winter cotton promotion and home sewing contests, have been developed by many of the foreign cooperating groups in collaboration with CCI.

More specialized projects are being worked into the basic program, such as those developed centrally by CCI on men's leisure wear and cotton rainwear for use in many of the countries.

Promotion's key role

The market development program has been a positive force in helping cotton at least hold its own against vigorously promoted manmade fibers in certain markets. This is demonstrated by some of the specific program results.

In Japan consumer expenditures on cotton textiles for summer wear increased 2 percent in 1964, while expenditures for synthetic fiber textiles for summer use declined.

Following the Maid of Cotton's fashion show appearance at a coordinated promotion effort in Switzerland, a leading department store reported that sales of cotton textiles increased 25 percent during the 3 subsequent weeks.

In Germany, cotton's share of the dress shirt market had declined to 30 percent by late 1963, while knitted nylon shirts had increased to 70 percent within a few years. A strong promotion campaign on cotton fabrics with easy-care properties for dress shirts reversed the trend, and by the end of 1964, cotton's share had increased from 30 percent to 50 percent of the dress shirt market.

A 3-year prototype consumer advertising campaign, preceded by intensive market research, has been launched in the Netherlands, and thus far has produced significant results.

The first major promotion-advertising event on household linens, the largest single end-use market for cotton in the Netherlands, was conducted as a joint action, including financing, with principal manufacturers, retailers, journalists, and wholesalers.

A followup survey disclosed significant results. For example, department and chain stores reported an average increase of 35 percent in turnover of household textiles, and wholesalers reported average sales increases of 15 percent, compared with the same period a year earlier. This prototype campaign will serve as a model for subsequent promotion in other countries. (See *Foreign Agriculture*, Sept. 6, 1965.)

The cotton market development program in each country has formerly been carried out in cooperation with a foreign cotton textile industry group or institute.

More recently, however, additional arrangements have been made whereby CCI will conduct sales promotion activities in cooperation with other interested groups or individual firms, such as manufacturers, wholesalers, garment makers, and retailers.

Cooperative or parallel actions by these cooperators are expected to equal or exceed in value those by CCI. This will considerably broaden the scope and effect of the program.

International promotion

Evidence of the increasing recognition of the importance of cotton market development in meeting the challenge of manmade fiber competition is the forward movement now taking place whereby several interested cotton exporting countries, including the United States, would join together in an international program for cotton research and promotion in the large markets, Western Europe and Japan. Considerable planning toward this end has been done under the auspices of the International Cotton Advisory Committee.

If this program materializes as planned, the total funding for cotton market development would be increased substantially, and the prospects for increasing the promotional impact on consumers—as well as cotton textile sales—would be greatly enlarged.

Prize-winning Cotton Ad Is New in Japanese Promotion

New to retail promotion in Japan is the use of illustrated newspaper ads like this prize winner boosting the 1965 Cotton Week.

The ad was one of five winners in a contest sponsored by the Japan Cotton Center and Japan Cotton Promotion Institute to generate greater interest in retail cotton promotion. Until recently, few Japanese retailers advertised other than short listings of price specials.

The contest drew hundreds of entries which were carried in newspapers during the summer—peak season for cotton sales.

Top importer of U.S. cotton—a position it has held since World War II—Japan purchased almost 1 million bales in 1964-65.

Diamond Fruit Growers Wins Presidential "E" For Role in Expanding Apple and Pear Exports

Secretary of Agriculture Orville L. Freeman (second from right) presents "E" Award citation to Diamond Fruit Growers president Ray T. Yasui (center) and general manager G. C. Crossland (r.); Al Ullman, U.S. Congressman, Oregon (l.).

The Presidential "E" Award presented last month to Diamond Fruit Growers, Inc., of Hood River, Oregon, was the first given a cooperative for its role in expansion of deciduous fruit exports. Last year's award to Blue Goose Growers, Inc., was primarily for citrus exports.

Owned by the growers whose apples and pears it distributes on four continents, Diamond—one of the leading exporters in its field—became the 9th cooperative and 42d agricultural firm to receive the award since its inauguration in 1961.

Secretary of Agriculture Orville L. Freeman, who presented an "E" Award citation and banner to Ray T. Yasui, president, and G. C. Crossland, general manager, commended members and employees of the cooperative for their vigorous and imaginative work in meeting the needs of overseas markets, as shown by a consistent increase in exports since 1961.

Big part of output exported

Founded 50 years ago as the Apple Growers' Association, Diamond has been selling deciduous fruits abroad longer than any organization in the Pacific Northwest. With nearly 50 percent of its apples and 20 percent of its pears marketed overseas, it also sells a higher portion of its produce to foreign buyers than any other deciduous fruit cooperative.

AGA changed its name in August 1964 to capitalize on the prestige of its "Diamond" line of fresh fruits—Anjou, Bosc, and Bartlett pears; Newton, Red Delicious, and Golden Delicious apples; peaches; and cherries. Operating its own storage facilities, ripening rooms, and canneries, the cooperative also produces and markets domestically Hood River Brand canned fruits, fruit juices, and concentrates.

Overseas markets

Diamond has established export outlets for its apples and pears in 10 countries, shipping to the United Kingdom (its largest market), West Germany, Belgium, the Netherlands, Singapore, Finland, Norway, Sweden, Hong Kong, Venezuela, Peru, and Canada.

Diamond has led the campaign to regain prewar markets through research into the many aspects of selling abroad, followed by efforts to meet the needs of foreign buyers.

Preliminary research by Diamond on marketing fresh fruits enabled the Northwest Horticultural Council and the U.S. National Fruit Export Council to gain access to foreign markets where imports of U.S. apples and pears had been barred by a number of protectionist import measures.

The co-operative's market research also includes studies of fruit output in other countries, particularly where seasons coincide with those of the United States. World crop forecasts are analyzed carefully and sales planned accordingly.

Because foreign consumers often prefer different varieties and sizes than their American counterparts, meeting their demands often involves an element of risk. Diamond's willingness to meet this by growing varieties, accumulating sizes, and adjusting grades to suit foreign requirements has earned it a valuable reputation for dependability in supplying the exact specifications ordered.

Continuity of supply stressed

To assure that a foreign market is available in large crop years, when U.S. producers have a greater need for exports, Diamond endeavors to guarantee continuity of supply even in short crop years. This policy results in a preference for its brand in some markets and contributes to higher demand for U.S. fruits in general.

Within the realm of sound business practices, Diamond has made every effort to fit its selling program to credit terms common to individual foreign markets.

Packaging is also geared to the needs of foreign buyers. Through continuous experiments with small shipments (frequently in cooperation with the USDA Transportation Research Branch), Diamond introduced and gained acceptance of the tray carton package for apples in foreign markets—a shipping method since adopted by the entire Pacific Northwest apple industry.

Diamond chooses its export channels primarily by means of personal visits to appraise firsthand the potential of a foreign market and the caliber of representation obtainable there. Once a market is opened, it maintains constant contact with its local agent and with the industry representative whose foreign office it helps support.

Diamond recognizes that promotion of fresh and processed fruits exercises an important influence on grower returns, and the cooperative is known among the entire U.S. fruit industry as a leader in overseas promotion.

Spain Suspends Import Duties on Soybeans

The Spanish Government has suspended until January 5 of next year import duties on soybeans, soybean meal, and oil. This is a continuation of a suspension in effect since December 1964. Former ad valorem duties applied against the c.i.f. prices were 2.5 percent for soybeans and soybean meal and 1 percent for soybean oil.

Last year, these products accounted for about 39 percent—$36.1 million worth—of all U.S. agricultural exports to Spain.

This action is part of a crash program begun in the spring of last year to reduce spiraling food prices. Since that time, Spain has reduced or suspended import duties on numerous livestock products, potatoes, fibers, sugarbeets, chickpeas, lentils, fresh and powdered milk, and fresh eggs.

Brazil Revises Export Quotas For Soybeans, Peanuts, Meal

The Brazilian Government in mid-September revised the export quotas for soybeans, peanuts, and their products for calendar 1965 from the quantities authorized earlier in the year (*Foreign Agriculture*, July 26). The new quotas, in metric tons, are soybeans 100,000, peanuts 51,000, soybean meal 110,000, and peanut meal 130,000.

The new authorization reduced the quota for soybeans from that announced earlier but increased the quota for soybean meal. This action reportedly was the result of increasing strength in the domestic market for soybean oil and meal, particularly for oil. That part of the meal resulting from increased crushing that cannot be absorbed in the domestic market is aimed for export outlets.

The peanut quota was reduced by 64,000 tons because of the poor quality of the dry season crop. At the same time a new quota of 10,000 tons became effective, but this quota is for peanuts graded by hand (HPS unshelled).

According to preliminary export data, 1965 exports of these products for the period January 1 through the first 2 weeks of September were as follows, in metric tons: Soybeans, 75,202; peanuts, 17,149; soybean meal, 71,894; and peanut meal, 113,988.

Sierra Leone's Palm Kernel Exports Decrease

Exports of palm kernels from Sierra Leone during the first 6 months of 1965 totaled 22,400 long tons compared with 29,100 in January-June 1964—a decrease of 6,700 tons or 23 percent.

Canada Announces Wheat Sale to Mainland China

The Canadian Government announced on October 28 that it had signed an agreement to sell the Communist Chinese 112 million to 186 million bushels of wheat over the 3-year period August 1, 1966 to July 31, 1969.

The agreement carried the proviso that the following changes may be made prior to May 1, 1966:

Increase the quantities of wheat involved in the 3-year agreement to a minimum of 168 million bushels and a maximum of 280 million or, alternatively, increase the period to 5 years with a minimum quantity of 280 million bushels and a maximum quantity of 466 million.

The terms of payment for sales under the agreement are 25 percent in cash when each vessel is loaded and the balance paid in 18 months with interest.

Suez Canal Shipments Increase in August

Northbound shipments of oil-bearing materials through the Suez Canal in August amounted to 129,672 metric tons—more than 62,000 tons above those shipped in July and the highest since March when 166,285 tons were shipped. The gain from July reflected increased movements of copra.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	August		October-August	
	1964	1965	1963-64	1964-65
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	47,148	17,046	157,723	195,545
Copra	60,384	92,593	729,169	656,837
Peanuts	10,851	7,020	194,770	173,077
Cottonseed	6,356	4,029	112,087	109,473
Flaxseed[2]	1,833	—	34,085	21,025
Castorbeans	2,564	1,192	69,213	24,980
Palm kernels	2,436	2,997	40,754	27,752
Others	4,103	4,795	99,328	109,238
Total	135,675	129,672	1,437,129	1,317,927

[1] 1 metric ton of soybeans = 36.7 bu. [2] 1 metric tons of flaxseed = 39.4 bu.
Suez Canal Authority, Cairo, Egypt.

In the October-August 1964-65 period, aggregate shipments of oilseeds declined by 8 percent and 9 percent from those in the comparable period in 1963-64 and 1962-63, respectively. Heavier movements of soybeans from Mainland China, however, partly offset the decline in other raw materials.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1960	1961	1962	1963	1964
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
July	184	180	1,070	1,874	752
August	1,470	1	331	1,732	626
September	1,102	146	184	519	—
October-December	919	919	12	19	1,604
January-March	6,062	4,082	1,328	1,484	2,826
April-June	1,213	239	573	706	1,376
July-September	2,756	327	1,585	4,106	—
October-September	10,950	5,567	3,498	6,315	—

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

August shipments of soybeans from China declined to 626,000 bushels—126,000 bushels below those in July. Aggregate shipments in the 11-month period amounted to 7.2 million bushels compared with 5.8 million and 3.3 million shipped in the corresponding months of 1963-64 and 1962-63, respectively.

Cumulative shipments of vegetable cakes and meals through August in the 1964-65 period, at about 1.36 million tons, were significantly below the 1.59 million shipped

in the corresponding 11 months of 1963-64. Shipments of peanut, cottonseed, and copra cakes and meals account for more than four-fifths of the total.

Aggregate shipments of vegetable oils through the Canal in the October-August period of 1964-65 totaled 333,834 tons, including 18,058 tons which moved in August compared with 322,597 tons in the comparable period of 1963-64 with 28,425 tons in August. Shipments of palm, coconut and peanut oils account for roughly three-fourths of the total.

Ceylonese and Philippine Exports of Desiccated Coconut

Exports of desiccated coconut from Ceylon and the Philippine Republic during the first 8 months of 1965 total 70,704 long tons compared with 75,408 in January-August 1964—a decline of 6 percent, or 4,704 tons. Ceylon and the Philippine Republic are the only major world exporters of desiccated coconut, accounting for over 95 percent of world exports

In the January-August 1965 period, the United States took 44 percent of total shipments from both countries, the United Kingdom 16 percent, member countries of the European Economic Community 15, and Australia 6.

EXPORTS OF DESICCATED COCONUT FROM CEYLON AND THE PHILIPPINE REPUBLIC

Country of destination	Ceylon		Philippines	
	January-August		January-August	
	1964	1965	1964	1965
	Long tons	*Long tons*	*Long tons*	*Long tons*
United States	115	---	34,338	30,906
Canada	1,381	726	2,373	1,895
Australia	1,319	878	2,618	3,052
South Africa	1,117	861	87	99
United Kingdom	11,966	11,387	26	24
Germany, West	4,218	3,964	698	1,476
Netherlands	2,300	2,070	298	423
Belgium	1,064	935	37	75
France	914	982	11	251
Italy	519	475	---	---
Denmark	957	581	323	568
Germany, East	1,409	2,551	---	---
Sweden	945	533	168	164
Spain	1,921	2,069	49	---
Others	3,488	2,875	749	920
Total	33,633	30,887	41,775	39,853

Nigeria's Purchases of Sesameseed

Purchases of sesameseed by the Regional Marketing Boards through August 28, 1965, totaled 16,500 long tons compared with 16,200 during the same period last year. The marketing year for sesameseed is June 1 to May 30.

Sesameseed is grown generally as a rotation crop, mainly in the Benue Province of the Northern Region. It is cultivated largely by the Tiv people as a cash crop. The 1964-65 season yielded 23,522 tons with a basic port price of £46 18s. (US$131.32) per ton.

Philippine Copra and Coconut Oil Exports Up

Registered exports of copra from the Philippine Republic in September increased to 109,260 long tons from 91,919 in August, the highest level so far this year. Coconut oil exports also reached their highest level, 22,264 tons, as against 20,351 in August.

The combined exports of copra and coconut oil during the first 9 months of the year totaled 534,901 tons, oil basis, compared with 527,106 in January-September 1964—an increase of 1.5 percent or 7,795 tons.

The copra export price in mid-October was US$187.50 per short ton c.i.f. Pacific Coast and US$211 per long ton c.i.f. European ports. Local buying prices were reported at 58 pesos per 100 kilograms (US$14.83) resecada basis Manila, and 52-57 pesos (US$13.30 to US$14.58) in producing areas.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country or continent of destination	1964[1]	January-September	
		1964[1]	1965[1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	231,215	166,351	194,676
Europe	518,988	369,908	352,647
South America	26,800	13,350	10,644
Japan	29,880	18,880	23,100
Other Asia	500	500	500
Middle East	140	140	1,500
Total	807,523	569,129	583,067
Coconut oil:			
United States	182,736	133,952	125,295
Europe	41,286	27,830	36,034
South Africa	2,251	1,081	409
Japan	99	—	—
Total	226,372	162,863	161,738

[1] Preliminary.

Ceylon's Exports of Copra and Coconut Oil Down

Exports of copra and coconut oil from Ceylon during the first 8 months of the year declined 21,500 long tons, oil basis, or 23 percent from January-August 1964, reflecting the lower level of copra production.

Rainfall conditions in recent months indicate that a recovery in copra output is unlikely to take place until the second quarter of 1966.

CEYLON'S EXPORTS OF COPRA AND COCONUT OIL

Country of destination	January-August	
	1964	1965
Copra:	*Long tons*	*Long tons*
India	30,083	13,953
USSR	—	3,000
Pakistan	2,665	1,982
Others	1,284	1,139
Total	34,032	20,074
Coconut oil:[1]		
China, Mainland	10,731	10,427
Pakistan	10,281	8,610
USSR	6,832	6,499
Italy	9,353	7,297
United Kingdom	8,122	5,446
Canada	4,822	6,494
Germany, East	2,539	1,903
Netherlands	2,992	1,303
Cuba	—	2,150
Burma	1,196	2,136
Rumania	860	1,777
Germany, West	1,700	1,678
South Africa	125	1,613
Morocco	1,617	1,009
Others	11,379	1,640
Total	72,549	59,982

[1] Crude and refined.
Ceylon Customs Returns.

Uruguay's Peanut Crop Cut by Drought

The final revised estimate of Uruguay's 1964-65 peanut crop (harvested in March and April) is only 1,400 tons from 16,300 acres, compared with 7,700 tons from 18,780

acres a year earlier. Drought that extended over the entire period from planting through harvest was directly responsible for the record low yield of only 172 pounds per acre. The average yield for 1959-63 was about 700 pounds.

A government loan program announced on April 20, 1965, by the Bank of the Republic included loans to farmers for planting peanuts this fall, largely because of the small 1964-65 crop and the shortage and consequent high price of peanut oil. Whatever quantity of peanut oil is produced will be consumed readily because of the extremely short supply of edible oils at the present time.

Early trade estimates of the 1965-66 peanut crop, to be planted October-November 1965 and harvested March-April 1966, predict a planted area of almost 20,000 acres.

Canada To Take Soviet Cotton

A large cotton mill in Canada is reported to have purchased $12,150,000 worth of cotton from the USSR. The order reportedly amounts to 90,000 bales (460 lb. net). This quantity represents the equivalent of one-fifth of Canada's annual consumption requirements. Delivery of 45,000 bales is scheduled for this fall, and three shipments of 15,000 each are to be shipped next year. This is the first Russian cotton imported into Canada except for about 900 bales in November 1964. Exact terms of payment are not available.

Activity Holds Up in Norway's Cotton Industry

Activity in the cotton industry in Norway in 1965-66 now appears likely to be maintained at rates near those of last season. Imports are expected to be about the same as a year ago in view of the minimum stock position at the beginning of the current season.

Cotton imports in the 1964-65 season totaled 22,000 bales (480 lb. net), slightly above 1963-64 intake of 21,000 bales. The United States supplies by far the largest share of Norway's cotton imports—over three-fourths (17,000 bales) in 1964-65 and about two-thirds (14,000 bales) a year earlier. Most of the remaining imports came from Guatemala, Mexico, and Argentina.

Consumption last season, at 22,000 bales, was 2,000 above the previous season. Norwegian cotton spinners were able to increase cotton consumption slightly last season despite strong competition from imported cotton yarns and manmade fibers.

Beginning stocks on August 1, 1965, were estimated at 7,000 bales or the same as a year earlier. Stocks will likely be maintained at this minimum level throughout the current season.

Japan's Canned Deciduous Fruit Pack

The 1965 Japanese canned deciduous fruit pack has been tentatively estimated at 5,082,000 cases—up 661,000 cases from 1964, and 141,000 from 1963. Statistics include peaches, pears, apples, loquats (technically an evergreen plant), cherries, apricots, grapes, and mixed fruit. However, only the peach and apple packs are from official Japanese statistics.

Peach production, which accounts for more than 60 percent of the total canned fruit pack, may reach 3,093,000 cases or slightly below the record 1963 level. The predominant canned peach is the white peach. However, the yellow variety is becoming more important and comprises roughly 25 percent of the pack. Canned apple production in 1965 is estimated at an alltime high of 853,000 cases—an increase of 104,000 from the previous year. Reportedly, the apple processing industry is expanding because of competition from bananas in the fresh field.

JAPAN'S PRODUCTION OF CANNED FRUIT

Type	1963	1964	1965[1]
	1,000 cases 24/2½	*1,000 cases 24/2½*	*1,000 cases 24/2½*
Peaches:			
White	2,546	2,113	2,240
Yellow	588	635	853
Total	3,134	2,748	3,093
Pears:			
Bartlett	395	199	320
Japanese type	117	22	53
Total	512	221	373
Apples	506	749	853
Loquats	182	159	160
Cherries	207	178	213
Apricots	20	43	43
Grapes	33	26	27
Mixed fruit	347	297	320
Total	4,941	4,421	5,082

[1] Estimate.

Canned peach exports, which dropped sharply during the 1963-64 marketing season and later rose to 224,000 cases in 1964-65, are forecast to reach 267,000 cases in 1965-66. Japan's leading export market for white peaches is the United Kingdom; however, in 1964 substantial gains were made in Western Europe especially in the Netherlands and West Germany. Aden is the most important overseas market for yellow peaches, followed by the Ryukyus and Saudi Arabia.

Export prices f.o.b. of canned peaches for the first 6 months of 1965 are substantially below those of the previous year's short pack for both white and yellow varieties.

JAPAN'S SUPPLY AND DISTRIBUTION OF CANNED PEACHES

Item	1962-63	1963-64	1964-65	1965-66
	1,000 cases 24/2½	*1,000 cases 24/2½*	*1,000 cases 24/2½*	*1,000 cases 24/2½*
Supply:				
Beginning stocks, Aug. 1	107	128	747	443
Production	2,354	3,134	2,748	3,093
Imports	31	29	25	32
Total supply	2,492	3,291	3,520	3,568
Distribution:				
Domestic disappearance	2,192	2,496	2,853	2,986
Exports	172	48	224	267
Ending stocks, July 31	128	747	443	315
Total distribution	2,492	3,291	3,520	3,568

India Has Small Walnut Crop

India's 1965 commercial walnut crop is estimated at 11,000 short tons in-shell basis—down 15 percent from the 13,000-ton 1964 crop and 14 percent from the 1959-63 average crop of 12,800 tons. The carryover from the previous season was, as usual, only a couple of hundred tons. So, the amount available for export will be only about 5,500 tons with about the same quantity available for domestic consumption.

Exports during the 1964-65 marketing season are estimated at 8,900 tons in-shell basis—down slightly from the 9,200 tons shipped in 1963-64. The United Kingdom, the

United States, Australia, and Canada are the main markets for Indian walnuts.

Bombay middle-of-the-month wholesale prices for superior quality in-shell walnuts ranged between 23.8 and 33.2 cents a pound during the first 11 months of the 1964-65 season. During the previous season, they ranged mostly between 26.1 and 30.9 cents and climbed above 33 cents only on the last month of the season. Prices for the current season are as yet unavailable.

INDIA'S SUPPLY AND DISTRIBUTION OF WALNUTS
[In-shell basis]

Item	1963-64	1964-65	1965-66
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Supply:			
Beginning stocks, (Oct. 1)	0.2	0.3	0.2
Production	13.0	13.0	11.0
Total supply	13.2	13.3	11.2
Distribution:			
Exports	9.2	8.9	5.5
Domestic disappearance	3.7	4.2	5.5
Ending stocks (Sept. 30)	.3	.2	.2
Total distribution	13.2	13.3	11.2

INDIA'S MID-MONTH BOMBAY WHOLESALE PRICES FOR SUPERIOR QUALITY IN-SHELL WALNUTS

Month	1963-64	1964-65
	U.S. cents per pound	*U.S. cents per pound*
October	30.9	33.2
November	28.5	--
December	28.5	33.2
January	28.5	28.5
February	28.5	23.8
March	27.6	23.8
April	28.5	23.8
May	28.5	26.1
June	26.1	28.5
July	26.1	28.5
August	26.1	28.5
September	33.2	--

Burma's Cigarette Output Again Rising

Cigarette output in Burma has turned upward after declining for 4 consecutive fiscal years. Output during the first 9 months of 1964-65 (October-September) totaled 745 million pieces—up 8.1 percent from the 689 million produced in the same period of 1963-64.

Output for the full year 1964-65 probably approached 1,000 million pieces compared with 873 million in 1963-64, but it was still considerably under the high of 1,360 million produced in 1959-60.

Tunisia's Tobacco Imports Set New Record

Tunisia's imports of unmanufactured tobacco last year reached a new height of 10.0 million pounds, compared with the previous 1958 high of 8.2 million. Record imports from both the United States and Paraguay, along with stepped-up takings from Brazil, Colombia, Greece, and Bulgaria, accounted for the increase.

Imports of U.S. leaf last year totaled a record 2.4 million pounds, compared with the previous high of 2.3 million in 1946. Takings from Paraguay amounted to 2.7 million pounds. Imports from Brazil rose to 1.5 million pounds from 1.1 million, while those from Colombia total 11 million, compared with 0.3 million in 1963.

Imports from such countries as Turkey, Rhodesia, Zambia, Malawi, the Dominican Republic, and Yugoslavia were down from 1963. Also, there were no reported imports from Japan and Poland during 1964, although imports from these two countries during 1963 had amounted to 632,000 and 750,000 pounds, respectively.

Spain Increases Prices of Imported Cigarettes

Retail prices in Spain for imported cigarettes have increased sharply as the result of an order issued on October 4 by the Spanish Ministry of Finance.

Current prices of imported regular brands are 22 pesetas (36.7 U.S. cents) per pack of 20, compared with the former price of 16 pesetas (26.7 U.S. cents). This is an increase of 37.5 percent.

For king-size cigarettes (including filter-tipped brands), the price was raised from 20 pesetas (33.3 U.S. cents) to 25 pesetas (41.7 U.S. cents), for an increase of 25 percent.

Prices for Spanish-made regular U.S.-type cigarettes remain at 12 pesetas (20 U.S. cents) per pack.

Flax Meeting in Milan, Italy

The International Confederation of Flax and Hemp is sponsoring a meeting in Milan, Italy, reportedly to ask the European Economic Community (EEC) to provide the industry greater protection. The reason given is that both flax and hemp are critical materials in times of emergencies. Therefore, the production of these crops within the EEC should be encouraged and protected.

The United States imports about $1.5 million of raw flax and hemp each year, mainly from member countries of the Confederation.

U.S. Cocoa Bean Grind Continues To Rise

U.S. grindings of cocoa beans during the third quarter of 1965 amounted to 148.6 million pounds, bringing the cumulative 9-month total to 449.9 million pounds, up 5 percent from the corresponding period in 1964.

The total grind in 1964 amounted to 589.5 million pounds, compared with 583.5 million the year before.

Philippines Developing Markets for Abaca

The abaca industry of the Philippines is seeking new uses and new markets for its fiber. Total exports declined 7 percent in 1964 from the preceding year.

The declining price of sisal has resulted in loss of markets for some grades of abaca, especially the non-Davao medium grades, used in manufacture of rope. Lower grades of abaca, such as the non-Davao G grade, have lost to competition from other fibers to the extent that the resulting lower price makes production no longer profitable. However, the better grades of abaca were still in demand and remained quite stable in price during 1964.

Use of abaca in the manufacture of paper is increasing and in 1964 compensated somewhat for the decline in use for cordage, fish nets, trawler lines, etc.

Gains in exports to nontraditional markets partly compensated for losses in trade to the larger markets.

Total production of Philippine abaca in 1964 fell 5.89 percent to 832,563 bales (approximately 279 lb. each). A large increase in spindle-stripped fiber from areas outside

South Mindanao prevented the decrease from being even larger.

PHILIPPINE EXPORTS OF ABACA

Destination	1963	1964	1964 as change from 1963	
	Long tons	*Long tons*	*Long tons*	*Percent*
Japan	33,688.4	29,972.9	−3,715.5	−11.0
U.S. and Canada	24,250.8	23,207.9	−1,042.9	− 4.3
Continental Europe	23,061.0	17,328.9	−5,732.1	−24.9
United Kingdom	17,656.4	16,900.0	− 756.4	− 4.3
India	2,376.9	2,911.9	+ 535.0	+22.5
Korea	1,968.6	3,471.4	+1,502.8	+76.3
Australia and New Zealand	897.9	1,219.8	+ 321.9	+35.9
Other	2,545.6	4,324.9	+1,779.3	+69.9
Total	106,445.6	99,337.7	−7,107.9	− 6.7

Compiled from annual report of the Manila Hemp Association.

Tanzanian Clove Crop Smaller

Clove production for Zanzibar and Pemba—the world's largest producers—during the July-June 1964-65 season totaled 3,803 long tons, down sharply from the 1963-64 crop of 19,852 tons. Clove trees bear heavily every other year. The 1964-65 harvest was during the off-year cycle, but a good crop is anticipated for the on-year 1965-66 season.

Indonesia was the largest recipient of Tanzania's clove exports during the 1964-65 crop year, taking 4,000 tons out of the 9,791-ton total for the period. Pakistan, India, and Hong Kong were also large buyers.

Brazil's Ramie Crop Up in 1964

Brazil's ramie crop for 1964 is estimated at around 13,000 metric tons, nearly 20 percent larger than the 11,000 tons produced in 1963. Most of the crop—grown mainly in the States of Paraná and São Paulo—is used by local industries.

Exports in 1964 of raw ramie fiber totaled 866 metric tons, as compared with 605 tons in 1963. Principal destinations were Belgium-Luxembourg, Japan, and Italy.

World Barley and Oats Production Forecast

World barley production is forecast at 4,080 million bushels, 4 percent below the 1964 crop, and world oat production at 3,075 million bushels, 5 percent higher than the previous year.

A detailed table and analysis appeared in the October issue of the *World Agricultural Production and Trade: Statistical Report.*

Venezuela Suspends Import Licenses for Black Beans

All licenses for the importation of black beans into Venezuela have either expired or been suspended as of September 30, 1965. New licenses will not be issued until after the harvest and sale of the current local crop, the harvesting of which has just begun.

Preliminary estimates of the current black bean crop range as high as 570,000 bags, compared with 550,000 in 1964 and the 1955-59 average of 930,000. An official estimate of the 1965 crop should be available soon.

It is difficult to predetermine exactly when the government will start issuing new import licenses; much depends on the outcome of the current crop of beans. Although it has been rumored that new licenses may be issued in late December 1965, local trade sources considered reliable are of the opinion that this may not happen before late January or early February.

Argentine Small Grain Plantings Up Slightly

Argentine plantings of small grains for 1965-66 were slightly above those for the previous year, according to the first estimate of the Ministry of Agriculture. Last year's seedings, however, were the lowest in many years, so that the slight increase does not bring small-grain area up to normal levels. Seeded area for the new and previous crops were as follows:

	1964-65	*1965-66*
	1,000	*1,000*
	Metric tons	*Metric tons*
Barley	901	935
Oats	1,134	1,153
Rye	2,131	2,155
Birdseed	49	40
Total	4,215	4,283

The third official estimate of corn production for 1964-65 was 5,140,000 metric tons, as compared with 5,350,000 in 1963-64. The first estimate was 4,900,000 tons, and the second, 4,980,000.

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Japan's Fats and Oils Use Levelling Off

A leveling-off is seen for Japan's fats and oils consumption this year, after 10 years of rapid growth. Continual declines in domestic oilseed plantings, however, are expected to help maintain the fast-rising demand for imports of fats and oils.

According to official government estimates, total consumption during the current Japanese fiscal year (April-March 1965-66) will rise 4 percent to around 1.06 million metric tons. This compares with 15 percent in JFY 1963 and 10 percent in 1964.

Soybean utilization, excluding on-farm use, is estimated at about 1.85 million metric tons—100,000 above that of a year earlier. About 1.73 million metric tons of this will need to be imported, 78 percent of which is expected to come from the United States.

Food for the Hungry

(Continued from page 4)

soils will be easy," he said. "But the soils are there and the research skills are available. The big problem is one of developing institutions to make it possible to do there what has been done in Florida and elsewhere with soils that are highly responsive to specific technology worked out with the full use of modern science and the products of industry."

Mechanization and Labor

By DR. CARL W. HALL, *Professor, Agricultural Engineering Department, Michigan State University, East Lansing*

One of the greatest needs for mechanization, as well as for other forms of agricultural development, lies in Latin America, Dr. Hall stated. U.S. companies can help, he said, but "we must not go to Latin America as carpetbaggers. We must put something into their economy."

The first step, Dr. Hall declared, "is to increase the productivity of the land being farmed." The Latin America area—which 30 years ago outproduced North America and dominated world grain trade—suffers now from low per-acre yields. Interaction of development programs—such as mechanization along with use of fertilizer and control of weeds and pests—is a requisite to bring about substantial progress.

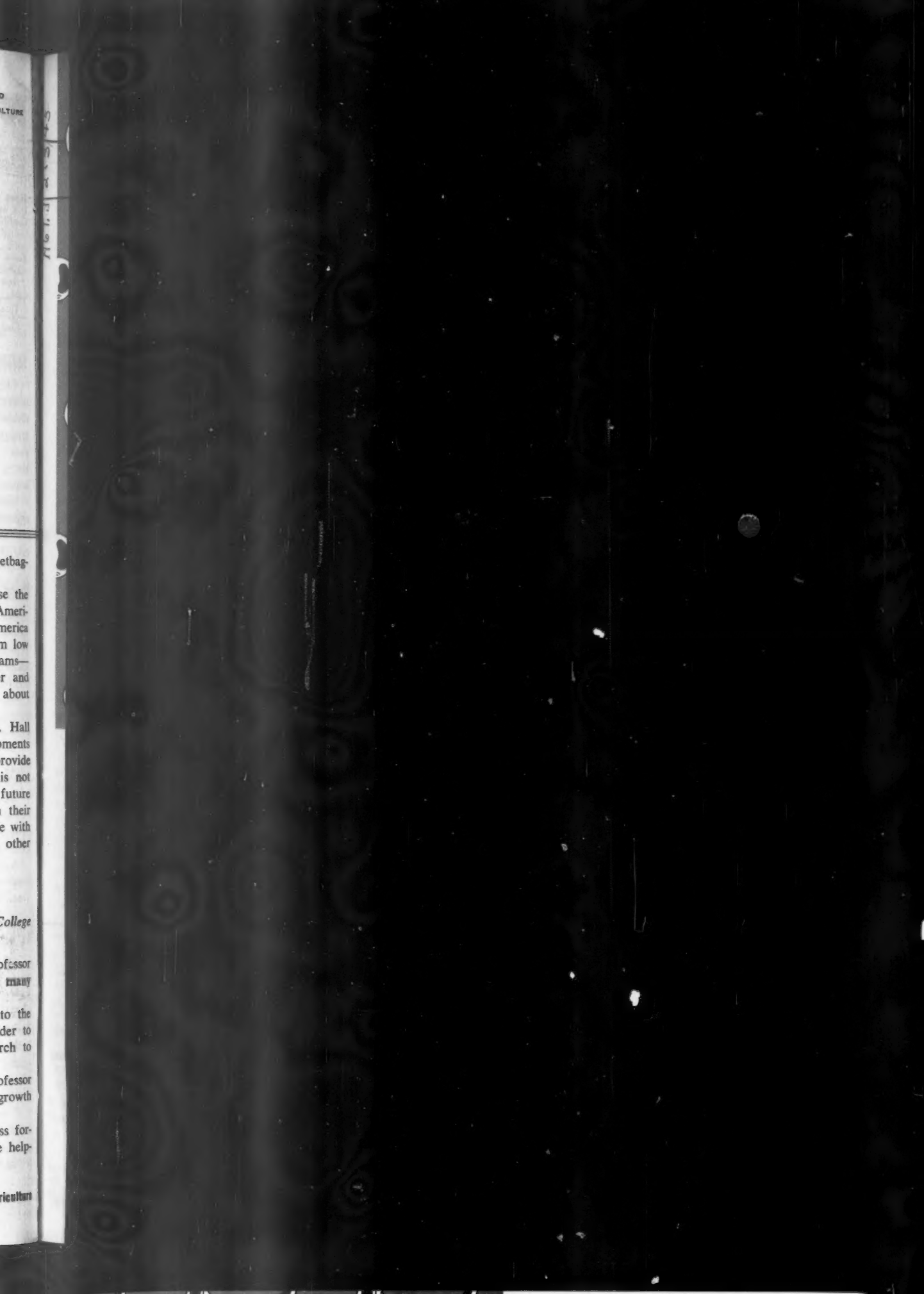
Challenging U.S. industry and government, Dr. Hall said, "Are we willing to invest in long-range developments in education and research which will eventually provide the stability desired and required? Will we do this not as carpetbaggers, but as helpers, looking to the future not of next year, but 10 to 25 years hence, when their economies will be developed to where we may trade with them as we now trade with Europe, Japan, and other parts of the world?"

Research Support

By CHARLES E. PALM, *Dean of New York State College of Agriculture, Cornell*

Agricultural research is the key to the future, Professor Palm said "We must provide the few who feed the many with improved support in all areas."

He stated that the board has committed itself to the study of "major issues affecting agriculture, in order to determine new trends and suggest areas of research to agriculture."

Illustrating the growing need of the world, Professor Palm indicated that within 40 years the population growth rate will have almost tripled.

"We need to share food and fiber with those less fortunate in other parts of the world," he said, "while helping them develop their own productivity."